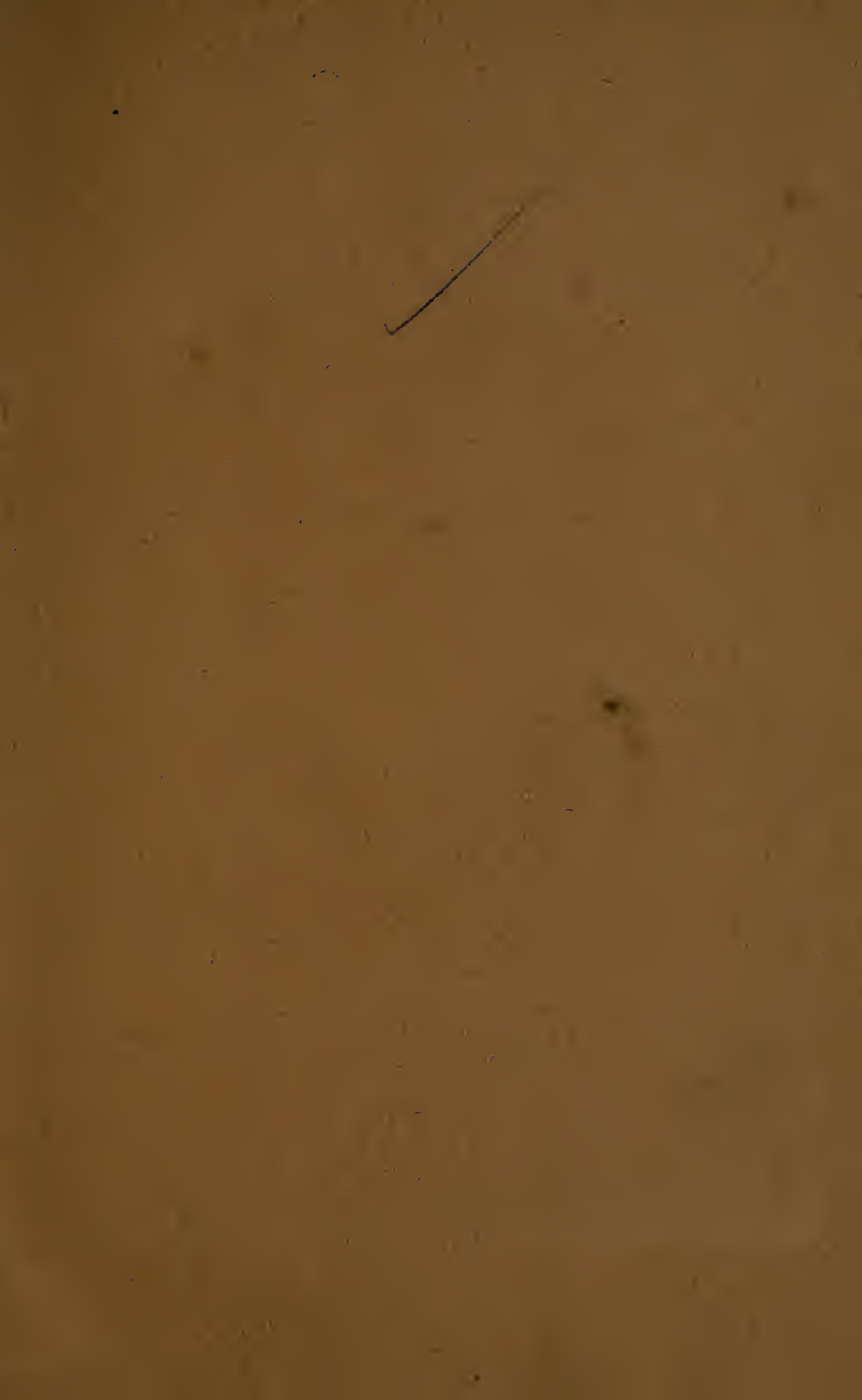
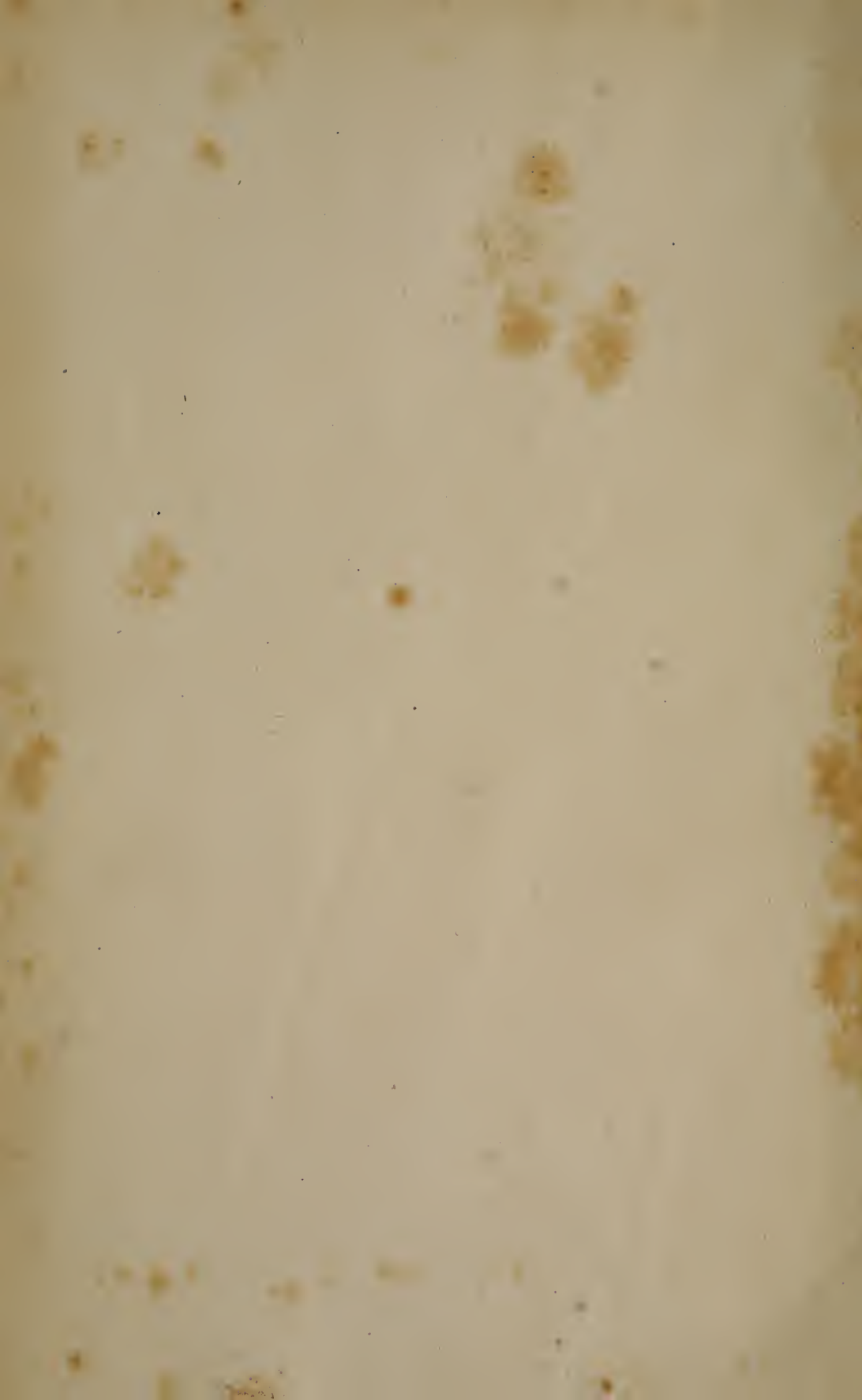




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ON
THE COLONIES:

A PAPER

READ BEFORE THE STATISTICAL SOCIETY,

19th MARCH, 1872.

BY

ARCHIBALD HAMILTON, ESQ.

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On the Colonies. By ARCHIBALD HAMILTON.

[Read before the Statistical Society, 19th March, 1872.]

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OUR Colonial Empire, which not long since was regarded by ourselves with so much pride, and by our rivals with no small envy, has of late years been viewed with a degree of apathy by the public which is equally undeniable and extraordinary. A small but energetic party have even maintained that the colonies are a source of weakness and embarrassment, and openly contend for “retrenching” the empire. The settled opinion of the great majority of politicians and public writers seems to be that separation sooner or later is inevitable. While successive Cabinets, Liberal as well as Conservative, resigning themselves to the same fatality, have been content that their colonial policy should have no higher aim than that separation, when it comes, should take place with peace and good-will.

I.—Colonial Office Policy.

Assuredly nothing has been done to ward off separation. So far from any endeavour to strengthen and confirm the ties between the colonies and the home country, the tendency of our policy has been rather to prepare the colonies for separation, if not actually to invite them to declare their independence. I should rather say that such has been the policy of the Colonial Office. In theory, no doubt, our Minister for the Colonies rules the Colonial Office, and is responsible to Parliament and the public; but in reality, what with frequent changes in the Ministry, the pressure of business in the House of Commons, public attention absorbed by questions nearer home, added to the general ignorance of, and indifference to colonial matters, it so happens that the permanent staff of the Colonial Office is, for all practical purposes, almost free from any check or control.

The waste lands have been handed over, unfortunately without any reservation; full control over their own affairs has very properly been conceded to the North American and Australian

colonies, but with no thought as to how the imperial connection is to continue; and at the present time the Cape colonists are in vain solicited to accept responsible government. At the same time the chief object of the Colonial Office, without regard to varying circumstances in each case, has been to withdraw British troops from the colonies, and, at all hazards, reduce their cost to the British Exchequer; so that our relations with the colonies have at length become so attenuated, that a very slight strain with any one of them will suffice to break the tie; and it is only too probable that the separation of one, would be the signal for others to assume independence, or, it may be, to seek some other protection.

Before resigning ourselves to this, it surely would be well that such a vital question should be examined to the bottom, and be thoroughly discussed in all its manifold bearings, so that we should deliberately satisfy ourselves whether it is in reality a matter of such little consequence, that our connection with the colonies should be maintained; or whether it would not be wiser rather to seek for some means whereby we could draw them closer to us than ever.

II.—*Exports of Home Produce.*

My object, therefore, in venturing to discuss this question will be to confine myself mainly to its economical aspect, and to examine the commercial statistics—though I am far from undervaluing those other considerations which cannot be overlooked, but to which I shall only very briefly allude.

In the first place, then, it may be well to bear in mind that the benefit of our foreign and colonial trade is not confined to the mere profit of the merchants exporting, as is too frequently assumed, but consists really in the sum total of the exports of British produce and manufactures. So that, when we find their total value amounted, for the year 1871, to no less than two hundred and twenty-two millions sterling (222,000,000*l.*), we are to consider that sum as, in point of fact, constituting so much of the wages and profits, or aggregate income of the people of this country; the foreign and colonial trade being the source from whence so much of their means of livelihood, or daily bread, is derived.

Payment is received in the commodities imported in exchange for our produce exported, and it is on those operations that our merchants receive their profits.

Of the large total just mentioned, our colonies, possessions, and dependencies of all kinds, contributed (51,000,000*l.*) fifty-one millions sterling; and as it is important that this amount shall be shown to be so much added to the aggregate earnings of the people of this country, I shall follow up the subject in some detail.

This is self-evident as to exports of purely home produce, such

for example as Birmingham hardware—from the digging out of the metal until it is smelted, manufactured, packed, conveyed by rail, and stowed on board a ship; all the profits, commissions, and wages arising from those operations are so much added to the earnings of the manufacturers, agents, artisans, and labourers who did the work; in short, all costs and charges, until shipped, are defrayed by the merchant who exports the goods. The same thing applies to goods which are manufactured from imported raw materials, though at first sight it might be contended that we should deduct the value of the raw material. But, inasmuch as the raw material can only be imported in exchange for our exports, it thereby acquires the character of a British product, the same as though it were bars of English iron. Nevertheless, as this conclusion may be open to question, there are other items to be considered in connection with the colonial trade, which will far outweigh the cost of raw material in our home manufactures exported thither.

1st. Foreign goods, to the value of nine or ten millions per annum, are sent here for transshipment, but the benefit resulting therefrom consists merely in agency, together with dock and shipping charges. Moreover, the proportion to the colonies is not considerable.

2nd. The ports of the United Kingdom are entrepôts for foreign and colonial produce, of which about fifty millions sterling per annum are re-exported, and of this amount the colonies take about four millions. On these operations, in addition to the charges above mentioned, there adheres to this country the merchant's profit or commission, brokerages, &c.

3rdly. There are very important indirect operations with the colonies. For example: shipments of Manchester goods are made to China, with orders for returns to be sent in tea direct to Canada. Sugar, coffee, and bulky goods in general go, as a rule, from the place of production direct to the colonies, under credits furnished by our merchants—or, in other words, are eventually paid for by exports from this country. Now, on all such indirect operations, the amounts of our exports in payment, if they could be traced out with any degree of accuracy, should be placed to the credit of the colonies, rather than to the countries supplying the rough goods.

4thly. The exporting merchant's profit or commission is a benefit accruing to this country which must not be omitted.

Taking these items together, it will be admitted by every one conversant with the subject, that they far outweigh the cost of raw materials in our home manufactures sent to the colonies; and that I am, therefore, well within the mark in claiming credit for the colonies to the full extent of our home produce exported to them; and that the amount should be taken as so much added to the earnings or aggregate income of the United Kingdom.

I have stated that the total to our dependencies for 1871 amounted to 51,000,000*l.*, but shall confine myself to our colonies proper, viz., North American, Australian, and South African, together with our tropical settlements in the West Indies, Mauritius, Ceylon, and the Straits; and with these I have contrasted our trade with the principal foreign countries. I leave out of consideration our Indian Possessions, since these cannot be regarded as colonies, and because I take for granted that our supremacy in that country will be upheld by the strong hand so long as we retain the power; neither for the present shall I concern myself with our naval and military stations, such as Malta, Gibraltar, Bermuda, Hong Kong, &c., which are maintained for imperial purposes.

In Appendix, Table A, will be found the exports of British produce for thirty years from 1840 to 1869 inclusive, reduced for the sake of convenience to quinquennial averages. I commence with 1840, so as to include a period of five years prior to our final adoption of free trade, when reciprocity in discriminating duties between the home country and the colonies was abolished. An examination of the table will show that, taking averages of ten years, our exports of home produce have increased in the following ratio:—

	1850 to 1869, Increase per Cent. upon 1840 to 1849.	1860 to 1869, Increase per Cent. upon 1850 to 1859.
North American Colonies	49	63
Australia and New Zealand	509	39
Cape and Natal	144	45
West Indies	11 decr.	41
Mauritius	54	22
Ceylon	90	111
Straits and Singapore	48	97
United States	147	3 decr.
France	67	131
Spain and Portugal	61	61
Germany and Austria	56	65
Italy	37	77
Russia	7 decr.	105
Holland	42	67
Belgium	25	77
Brazil	52	49
China with Hong Kong	50	167

In Appendix, Table B, I have taken out the consumption of British produce by the several colonies and foreign countries above named. For the population I take the years of census, but for the exports I have averaged three years, viz., the year of census with the preceding and succeeding years, so as to obtain a fair result,

free from special circumstances which might attach to single years; and in order still further to elucidate the matter I have, in Table C, ascertained the proportion which British produce bears to the total imports of the same places; for this purpose I have taken an average of the three years, 1864-66, being the latest uniform period for which I can obtain a comparison.

The results of Tables B and C are shortly stated below. It will be observed that the figures are greatly in favour of the colonies proper, as might be expected with infant communities, occupied chiefly in the production of raw produce. This applies to the United States, for the same reason, though in a lesser degree; while the tropical settlements rank next to the colonies proper.

	Consumption of British Produce per Head.			Proportion of British Produce to Total Imports.
	£	s.	d.	Per cent.
North American Colonies	1	5	8	42
Australia and New Zealand	8	10	3	47
Cape and Natal { total population	2	6	4	} 69
{ white "	8	12	2	
West Indies	2	8	7	43
Mauritius	1	14	7	30
Ceylon	Small European population			} 36
Straits				
	"			21
United States	—	12	10	31
France	—	6	—	9
Spain	—	2	1	18
Portugal	—	10	4	—
Germany (Prussia, Hamburg, and Austria)	—	6	11	Not ascertainable
Italy	—	4	3	17
Russia	—	—	11	17
Holland*	2	16	2	10
Belgium†	—	11	10	8
Brazil	—	11	2	Not ascertainable

* A proportion of this no doubt belongs to Germany, being for goods in transit, and the British produce is not distinguishable.

† Belgium probably shows in excess for the same reason.

But it is alleged that our trade with the colonies would not be affected, were they at once to be declared independent States; and Mr. Goldwin Smith has argued that it would rather be increased thereby. He appeals to the example of the United States in support of this opinion, but overlooks the totally different circumstances under which our trade with the colonies is now carried on, as compared with the jealous monopoly which existed when the United States became independent. I need scarcely recall Lord Chatham's well-known declaration, that "the colonists had no right

“to manufacture even a nail for a horse-shoe.” They were bound to buy from the mother country whatever they consumed, and to sell to her whatever they produced. It was not in consequence of their separation that our trade with the United States subsequently increased; but it was because, together with independence, they established freer commercial relations with other countries as well as with ourselves.

Now, as our colonies already enjoy the advantages of free trade to the fullest extent, except so far as it may be stinted by tariffs of their own imposition, and as they also enjoy the most absolute control of their own affairs, it is manifest that there are no grounds for expecting a rapid increase in their trade, such as followed on the independence of the United States. On the contrary, though the colonial trade might not at first be materially affected, provided always that separation took place in a friendly spirit, there is too much reason to fear that the ratio of increase would not be sustained, and might altogether disappear.

The maxim that “the trade follows the flag” is supported by the examples of our conquered colonies, viz.:—

In Canada there are about one million, or nearly one-third of the population, of French descent, living much apart in Lower Canada, and retaining their language and customs to a remarkable extent; and although during the last thirty years there have been no discriminating colonial duties between British and French produce, the importations for the year 1866 were respectively as follows:—

	£
British produce	5,000,000
French „	250,000

Similarly, as regards the Cape of Good Hope, where the European population numbered about 180,000, of whom two-thirds are of Dutch extraction, speaking their own language and adhering to their own manners and customs with extraordinary tenacity—taking an average of the years 1864-66, the importations stand thus—

	£
British produce per annum	1,760,000
Dutch produce direct.....	£6,000
Through United Kingdom in bond.....	20,000
	<hr/>
	26,000

Again, if we examine the returns from Mauritius, where the Creole population is still essentially French, the figures stand as follows, taking an average of the years 1864-66:—

	£
British produce per annum	523,000
French „	362,000

It is to be observed, however, that of the latter no less than 116,000*l.* consisted of wines and brandy, the wine being a special

production of France, and peculiarly suited to the climate and taste of the people.

Conversely, no one can doubt, had we retained possession of Java, that our trade with that island would now be ten times what it is.

Let us next consider in what manner our trade with the colonies is influenced by their connection with the home country. It is a matter of every day experience that young men of the middle or commercial class prefer the colonies, when looking around for a field in which to push their way in the world. In the colonies they settle among friends and relations, where English law and English ideas and customs prevail; and it is by this class more especially that our commerce is extended. They readily enter into business correspondence with their friends at home, and become the channel through which British capital is more freely embarked in the colonies than in foreign countries. Again, colonists more frequently intermarry with people at home than with foreigners. I have been assured on competent authority that marriages between Canadians and their American neighbours, are not much more frequent than marriages between ourselves and French or Germans. Moreover, most of us have relatives settled in the various colonies; so that, in addition to similarity of tastes and general sympathy with the old country, there are innumerable personal and family ties which secure to us a command of the colonial trade, such as is not elsewhere obtained. In fact, it is an aggregate of what, in individual cases, is called trade connection, or "good-will."

I think, therefore, it is reasonable to conclude, that were our connection with the colonies severed, though our trade might not be immediately diminished, still the steady increase it has shown for so many years would be lessened, or might even become stationary—assuming always that the separation took place amicably, and that the colonies became independent States. But let us suppose we part with feelings of discontent, as is only too probable with more than one colony, and that they either seek protection from some other State, or enter into reciprocal treaties to our prejudice: the result would of course be very different.

The truth is, we cannot afford to run the risk of our trade being diminished. Considering that our population is increasing at the rate of 1,000 per day, surely it is only reasonable that we should strive to increase, rather than run the risk of curtailing our means of subsistence. The evils of pauperism and the pressure of poor's rates are already sufficiently appalling. In the commencement of 1871 there were in the United Kingdom no less than 1,280,000 paupers of all sorts, receiving relief at a cost of 8,300,000*l.* And an examination of the returns of "poor's rates and pauperism" will show that, during 1871, there has been a steady decrease,

especially during the latter half of the year; proving unmistakably the influence of the returning prosperity of our export trade; just as the contrary effect is to be traced in the depression which followed on the commercial crisis of 1866. I repeat, therefore, that we cannot afford to tamper with our relations with the colonies, which, relatively to their population, are certainly our best customers.

III — *Shipping.*

In Appendix, Table D, will be found a statement of the tonnage employed in the trade of the several colonies and foreign states, together with the proportion thereof which consists of British tonnage. I have taken an average of three years where possible, and it will be seen that the colonial percentages greatly exceed the others. I leave the subjoined figures to speak for themselves, viz. :—

North American Colonies, of total tonnage 80 per cent. is British; Australia 93, Cape and Natal 85, West Indies 60, Mauritius 74, Ceylon 87, and Straits 58 per cent.; whereas of the foreign States, the percentage of the United States is 47, France 36, Hanse Towns 36, Italy 23, Russia 34, Holland 49, and Belgium 55.

I would only further remark that, were the colonies independent, these figures might be altered seriously to our prejudice by the adoption of navigation laws.

IV.—*Colonists who Return.*

Apart from the direct and immediate benefit derived from our colonial trade, we must also consider the effect upon ourselves as well as upon the colonies, of the wealthy colonists who return to end their days at home, and spend their fortunes in the old country. This cannot be reduced to an estimate, but, whatever benefit may result to us from this source, it is manifestly due to our connexion with the colonies.

I had imagined that, on the whole, this was rather a praiseworthy, or, at all events, a harmless class of citizens. But Mr. Thorold Rogers, in an essay recently published by the Cobden Club, seems at a loss for terms sufficiently scornful in alluding to them. If it be true that “having become great capitalists they are eager to blot out the memory of the cradle in which their fortunes were nursed,” and “hurry back to their old home, in order that they may achieve social rank,” surely the same thing may be said of Manchester, the cradle of the patron saint of the Cobden Club. Do not successful manufacturers leave their cotton mills, purchase estates, and set up as country squires? and why should they not do so, as well as wealthy colonists? They have equally, by their energy and enterprise, benefitted others as well as themselves in the process of making their fortunes, and the successful colonist,

no less than the Manchester man, generally leaves his capital behind ; so that the industry he may possibly have created is carried on by others, and it is only the expenditure of the colonist's income that is transferred to this country. I am at a loss, therefore, to understand Mr. Rogers' repeated onslaughts upon this class. Were the Cobden essayist also a colonist, he might indeed have reason to complain of the disadvantage to his adopted country; in that so many wealthy men return home rather than remain to form a leisure class in the colony—necessary no doubt for establishing a proper social tone and for the conduct of public affairs. But we must recollect that the Australian colonies, more particularly referred to, have been so recently settled that there has been scarcely time for a generation of native-born colonists to grow up with a natural affection and preference for the country of their birth.

V.—*Emigration.*

I have next to consider the colonies as a means of absorbing our surplus population, and extract the following particulars from the emigration returns, viz. :—

	Emigrants in 1870.	Totals from 1815 to 1870 inclusive.
To North American colonies	35,295	1,391,771
„ Australian colonies	17,065	988,423
„ other colonies and places	8,505	160,771
	60,865	2,540,965
To the United States	196,075	4,472,672
Grand totals	256,940	7,013,637

It may be admitted, therefore, if we are content to leave emigration to run its course, unaided and undirected, that it would not be much affected by the independence of the colonies; always excepting the middle or commercial classes, who, as already remarked, go chiefly to colonies.

The bulk of the Irish emigrants go to the United States, where they not only add to the strength of our rivals, but bear with them a feeling of animosity against us so bitter, that the necessity of securing the Irish vote is the main source of all our troubles with our kinsmen in America. Now, it is a strange fact that the Irish who settle in the colonies become comparatively loyal subjects; and it should, therefore, be the object of the Colonial Office, if possible, to divert some portion of the Irish emigration to the colonies, instead of looking on helplessly while it flows to the United States.

Nay, more, would it not be well to devise such a systematic emigration, as would diminish the poor rates and relieve the struggle

for existence at home, by removing labour from where it is too often superabundant and wages low ;* to the colonies, where employment is abundant, wages are high, and food cheap ? We should thus by one and the same operation lessen the competition for employment at home, and create more work for those who remain behind ; as the emigrant to the colonies at once becomes a large consumer of home produce.

Unfortunately, the Colonial Office has parted with all control over the waste lands, without considering that the people of this country had an interest therein, and that for their benefit, jointly with that of the colonists, the waste lands should have been held in trust. Negotiations might nevertheless be entered into with the colonies for a systematic emigration, and our share of the expense would assuredly be well laid out.

Before quitting the subject of emigration I would refer to a diagram in Table F, which I borrow from Mr. Eddy, representing on a chess board the proportionate area of Great Britain and her dependencies, thus :—

Great Britain and Ireland occupy.....	1 square.
The colonies.....	44 "
India and other dependencies	8 "

VI.—*Advantages to the Colonies.*

Hitherto I have dwelt only on the advantages which the home country derives from the colonies ; and am compelled by want of space merely to glance at some of the more prominent benefits which accrue to the colonies from their connection with Great Britain.

An examination of their commercial returns, in the same form as Tables A, B, and C, would show that the benefit is reciprocal : each contributes largely to the aggregate income of the other. It is, in fact, an operation of exchange, by which both parties are benefitted, inasmuch as the colonists (as shown in Tables B and C), in proportion to their numbers, are the best customers for our manufactures, while we in return are by far the largest purchasers of their produce. Both sides profit by these operations : people in the colonies as well as at home are employed, and earn wages and profits thereby.

The colonists possess all the privileges of British subjects, being citizens of no mean city, which surely is an advantage as compared with the citizenship of small separate states. But there are also what some may consider more tangible advantages, viz., that the colonies enjoy better credit in consequence of the connection, and are able to borrow money on better terms for their public improvements.

Further, as has been already pointed out, British capital is more

* Especially in some of our agricultural districts.

freely embarked through private channels in the colonies than elsewhere, their resources are thereby more speedily and fully developed. In addition to which it is from home that they derive their supply of labour. The colonies, in short, have all the advantages of being connected with a country like Great Britain—a land of industry, wealth, commercial enterprise, and a first-rate power. How different if we suppose them dependencies of Russia, Spain, Italy, or even France.

VII.—*Cost of the Colonies.*

Ever since the Parliamentary Committee of 1861, it has been the policy of our Government to throw the colonies on their own resources for military defence; but without discrimination as to their varying circumstances and antecedents.

In Appendix, Table E, will be found a summary of the cost of the colonies to the imperial exchequer from the year 1853 to 1868, which I have continued by a liberal estimate to the year 1871 inclusive, being nineteen years in all.

I may remark, however, that the parliamentary returns on which Table E is based appear to be open to question. For instance, the sum of 2,990,509*l.* is charged during the nineteen years for gaols, police, and military in Western Australia and Tasmania; but this expense was chiefly, if not altogether, incurred because those colonies were penal settlements, and it must therefore be ascribed to an imperial, and not to a colonial purpose. There is also included in the naval charges for the earlier years, the cost of transport of convicts, which is equally void of justification. I have been unable to test the other items; but the truth is, the returns in question were drawn up, not with a view to recover the money from the colonies, but merely to show the expense this country incurs by reason of, or on account of the colonies. The returns have never, therefore, been properly corrected; but to them, in a great measure, is due the general impression that the colonies are very costly possessions. Nevertheless, I accept the returns as rendered. And how stand the facts?

The exports of British produce, during the nineteen years in question, contrast with the supposed cost of the colonies, as follows, viz.:—

	Total Cost, 1853 to 1871.	Exports of British Produce, 1853 to 1871.
	£	£
North American colonies	13,107,000	107,828,000
Australia and New Zealand.....	10,658,000	214,680,000
Cape and Natal	8,699,000	31,756,000
West Indies	7,679,000	49,022,000
Mauritius	2,132,000	9,401,000
Ceylon.....	1,374,000	12,703,000
Singapore and Straits	161,000	25,408,000
	43,810,000	450,798,000

Now, I must repeat once more, that the amount of the exports of home produce constituted in reality so much of our aggregate income; and it has been variously estimated that in this country we are taxed from 10 per cent. to as high as 20 per cent. on our incomes. I take the lowest estimate, and it follows that the Treasury has, during the nineteen years in question, obtained a revenue of 45,000,000*l.* in consequence of the colonial trade, while the expenditure has not exceeded 43,800,000*l.*

I cannot but regret the present habit of regarding the cost of the colonies exclusively from the Treasury point of view, as though her Majesty's Government were driving a trade in colonies, and as if the result should be judged by the profit and loss shown on the Treasury balance-sheet. Even tried by this test, it will be seen that the colonies have not been burdensome to the imperial exchequer, while they have added four hundred and fifty millions to the earnings of the people of this country.

It would be useless to re-open the discussions as to Caffre and Maori wars: rightly or wrongly, the Colonial Office has determined to withdraw our troops from the Cape and New Zealand, and has also, it is to be presumed, relinquished all idea of interfering with the colonists in their relations with the natives. Had that course always been followed, we should have been saved a great deal of trouble and some money; the colonists would have been spared a great deal of irritation; it is doubtful whether the Maoris would not at this day have been in much the same condition; but the Caffres have undoubtedly benefitted by our benevolent interference in their behalf. It is more to the purpose to consider how the Treasury is affected, now that our troops have been almost wholly withdrawn from the principal colonies. The figures for the year 1871 are these:—

	Cost for 1871.	Exports of Home Produce, 1871.
	£	£
North American colonies	222,400	8,296,000
Australia and New Zealand	239,600	9,034,000
Cape and Natal	168,300	2,198,000
West Indies	350,900	2,940,000
Mauritius	73,500	503,000
Ceylon	23,400	928,000
Straits	36,800	1,935,000
	1,114,900	25,834,000

So that for the year 1871 the Treasury has derived at least 2,580,000*l.* from the colonial trade, and expended 1,100,000*l.*

But it may be urged, in reply, that our trade with foreign States does not entail so much cost as is here shown. What I contend for

is that the colonies are no actual burden to the Treasury, as is very generally assumed;* and, as a set-off for the cost, we enjoy a decided preference in the colonial trade, because of their dependency. But neither is foreign trade carried on free of expense to the Treasury: the cost of the diplomatic and consular services may be ascribed to it, as well as the charge for cruisers to protect our flag.

Again, let us take the Australian colonies as a group, including New Zealand with its Maori wars, of which we have heard so much, and not excluding the two penal settlements above mentioned, and we find the following results:—

	£
Nineteen years exports of home produce	214,680,000
„ cost to exchequer	10,658,000
„ revenue on the exports.....	21,468,000

Since 1840, it will be seen, from Table A, that our exports of home produce to the Australian colonies have reached the satisfactory total of 238,376,000*l.*; all, be it remembered, so much added to the earnings of the people of this country.

Surely, then, in the face of such results, instead of discussing the “colonial question,” we should rather be taking thought that the great Australian continent is not as yet even fringed with settlements. Having assuredly no reason to regret our past operations in that region, if we could see our way during the next thirty years to plant an equal number of flourishing communities, why should we hesitate? Why should not the Colonial Office justify its title by taking the initiative in such an enterprise?

It will be instructive to watch the course of events in the Fijian Islands, where matters appear to be assuming the same condition as those which preceded the occupation of New Zealand.

VIII.—*Colonial Tariffs.*

The colonists have been vehemently reproached with the duties which they levy on imports. These, no doubt, somewhat affect our trade, and so far as they operate protectively, are even more injurious to the colonies than to ourselves. But we should recollect that they must raise their revenues in the cheapest and least objectionable form. The true theory of taxation is, doubtless, to raise the necessary revenue so as to press equally in all directions, and not interfere with the natural course of industry, any more than if duties or taxes did not exist; but we have not as yet ourselves reached this abstract perfection in our fiscal regulations. We raise 20 millions sterling per annum on tea, sugar, coffee, wines, spirits, and tobacco; and the countries producing those articles might as reasonably complain that we are restricting their trade, as we can reproach the colonists for taxing our produce.

* Suppose for example that the Australian Colonies had never been planted.

The Cobden Club essay urges that excise duties should be levied in the colonies on domestic manufactures, equivalent to their customs duties on imports, forgetting that it is only a few years since that principle was adopted in this country; besides which the circumstances are totally different, since we levy customs duties on one or two articles only, which could be produced in this country, even in the form of substitutes, as beer for wine, &c., whereas the colonial duties are levied upon the entire variety of imported articles, rendering excise duties out of the question. Neither is direct taxation applicable to sparsely peopled countries like the colonies, such taxes would not in many districts repay the cost of collection; and surely they do well to avoid the income tax, with all its inherent injustice. Considering that the colonies import so large a proportion of what they consume, it is obvious that the necessary revenue can be most easily and fairly raised through the customs.

The objection as yet applies chiefly to Canada, and in a lesser degree to Australia, as these are the only colonies which have reached the stage where manufactures might commence, even if unprotected. In Canada the duties are 15 per cent., and in Australia they are chiefly 5 per cent., rising in some cases to 7 and 10 per cent. *ad valorem*. I apprehend the proper view to take of colonial tariffs is this: that so long as the colonies continue members of the empire, they are identified with the policy of free trade, so far at least as to avoid discriminating duties; but, if independent, no one can foresee what reciprocity treaties and restrictive tariffs they might adopt.

IX.—*In case of War.*

There is still one other aspect in which our colonies and possessions should be carefully regarded, but on which I must touch very briefly, viz., their value in case of war.

We take a just pride in the steady increase of our population. Notwithstanding that we have sent forth 7,000,000 of emigrants since 1815, our numbers have increased from 19,208,000 in 1815 to 31,048,397 in 1871.

But we must not overlook one result of this gratifying increase of strength, viz., that we can no longer raise sufficient food at home for our daily wants. Taking an average of three years, ending 1870, I find that we now require foreign supplies of the prime necessities of life, as cattle, sheep, meat, butter, cheese, corn, rice, eggs, fish, and potatoes, to the value of 58,500,000*l.* per annum; while to these may be added articles of secondary necessity, as sugar, tea, and coffee, to the value of 30,100,000*l.* per annum.

These articles of daily consumption are procured in exchange for our exports, and it is obvious that when war comes it is now simply

a matter of life and death to maintain our supremacy at sea. If our foreign and colonial commerce, with all its wide ramifications and numerous channels, cannot be efficiently protected at sea, what will be the result? Our supplies of food will fall off, and our export trade will be reduced, so that the necessaries of life will become scarce and dear at the very time when the means of earning a living will be lessened; we shall, in fact, be reduced to the condition of a besieged city.

Happily for us, the carrying trade is undergoing a great change by the substitution of steamers for sailing ships, partly owing to the Suez Canal, but more especially to recent improvements and the greater economy of fuel; this change is going on with astonishing rapidity; the proportion of tonnage built in 1871, and on the stocks being built on 31st December last, was 611,700 tons, steamers, to 107,000 tons, sailing vessels; so that in a few years the great bulk of our trade will be carried in steamers, which, in case of war, would diminish the risk of capture; while with our great wealth and unequalled facilities, our fleet of steam men-of-war ought to give us more than ever the undisputed command of the sea.

But supplies of coal for our mercantile and Royal Navy have become a matter of absolute necessity, as well as ports in which iron vessels can be docked; without which their efficiency would be much impaired; for this purpose, and as fortified depôts of coal, our naval and military stations have now become of vital importance. Instead of scrutinising in a niggardly spirit the cost of maintaining such places as Gibraltar, Malta, and Aden, Bermuda, Hong Kong, Simon's Bay, St. Helena, &c., we ought, if possible, to render them still more secure, and construct graving docks capable of receiving our largest iron-clads.

The cost must be viewed as an insurance, just as the cost of the army and navy can be justified by the necessity of self-respect and self-preservation. Nay, even with regard to our colonies proper and tropical settlements, we must consider what the difference would be in a struggle for existence, between our having British ports scattered all over the world, compared with those ports being even neutral, in which our enemies, equally with ourselves, could coal and refit, and must further remember that Nova Scotia, Australia, New Zealand, and Labuan can furnish our steamers with coal.

Considered in this light, the value of our colonial dependencies cannot be estimated in money, but their possession is assuredly not a mere question of prestige.

X.—*Arguments of Sentiment.*

I will not enter upon the arguments of sentiment for upholding our colonial empire, though the anti-colonial party have been

especially sarcastic on this subject. I may remark, however, that those who would govern mankind without regard to sentiment have invariably come most signally to grief. The “retrenchers” are, moreover, much given to quote the example of the United States; but I do not find that the Americans grudge the cost of a few regiments to overawe the Indians in the West, nor is there any hesitation in putting them down when they rise against the settlers. Nay, more, did not the Americans in the North, much as they respected the veteran General Scott, disregard his advice to let the “erring sisters go in peace”?—in the great Civil War did they not resolve, at any cost and at all hazards, to maintain the union intact? and who can say that, in yielding to their sentiment of patriotism, they have not been justified by the result?

XI.—*Conclusion.*

To my mind, there is nothing more hopeful, in our present situation, than the sentiment of loyalty and affection for the old country which happily pervades our colonies. It is beyond my province to enter upon a discussion as to how our mutual relations can be deepened and strengthened; but I may be excused for remarking that it can only be on a footing of perfect equality; and that the present time, when by means of the telegraph we shall shortly be brought, as it were, into contact with our fellow-countrymen at the antipodes, is surely not the occasion on which to look upon separation as inevitable.

Let us imagine, for a moment, how two centuries hence our dealings with this momentous question will be regarded. Will it be recorded how a great opportunity was lost?—how our public men were engrossed by party strife, and our Parliament absorbed in local bills and temporary concerns—until a crisis coming upon us, unexpected and unprepared, our empire suddenly broke up and drifted away in fragments?

Or, shall the record be that our statesmen, ere it was too late, aroused them to the task?—how they were seconded by an awakened Parliament, and encouraged by the people at home as well as by the patriotism of the colonists; and how, feeling the advantage of mutual support, the ties that bound them to the old country were drawn closer, as the colonies waxed stronger—until the whole became welded into one homogeneous empire, such as the world had not yet seen? An empire inhabited by a people scrupulous in respecting the rights of others, yet resolute to maintain their own; with no ambition to encroach on the territory of their neighbours, but whose glory it was to subdue the wilderness; and who, by their achievements in science, their devotion to peace, and their love of liberty, of justice, and of truth, marked an epoch in the history of mankind.

APPENDIX.

TABLE A.—*Quinquennial Averages of Exports of British Produce to the undermentioned British Possessions and Foreign Countries.*

[000's omitted.]

	1840-44.	1845-49.		1850-54.		1855-59.	
	Yearly Average.	Yearly Average.	Increase per Cent.	Yearly Average.	Increase per Cent.	Yearly Average.	Increase per Cent.
	£	£		£		£	
North American colonies	2,585,	2,872,	11	4,200,	46	3,622,	14 deer.
Australia and New Zealand } land.....	1,246,	1,566,	26	7,215,	361	9,903,	37
Cape and Natal	419,	597,	42	949,	59	1,527,	61
West Indies	2,536,	2,027,	20 decr.	1,962,	3 decr.	2,089,	7
Mauritius	285,	256,	10 „	320,	25	511,	60
Ceylon.....	184,	204,	11	254,	25	483,	90
Straits Settlements	578,	465,	20 decr.	584,	26	965,	65
Total	7,833,	7,987,	2	15,484,	94	19,100,	23
United States	5,772,	9,297,	61	18,178,	96	19,053,	5
France.....	2,733,	2,207,	19 decr.	2,594,	13	5,655,	118
Spain and Portugal	1,548,	1,778,	15	2,413,	36	3,292,	36
Germany and Austria	6,732,	7,001,	4	8,569,	22	12,801,	50
Italy	2,181,	2,312,	6	2,698,	12	3,444,	28
Russia	1,824,	1,843,	1	1,025,	44 decr.	2,365,	131
Holland	3,459,	3,271,	5 decr.	4,044,	24	5,504,	36
Belgium	1,100,	1,196,	9	1,195,	—	1,684,	41
Brazil	2,298,	2,465,	7	3,111,	26	4,122,	33
China and Hongkong	1,224,	1,735,	42	1,798,	4	2,656,	48
Total	28,871,	33,105,	15	45,625,	38	60,576,	33

	1860-64.		1865-69.		1870.	1871.
	Yearly Average.	Increase per Cent.	Yearly Average.	Increase per Cent.		
	£		£		£	£
North American colonies	5,266,	45	7,480,	42	6,801,	8,296,
Australia and New Zealand } land.....	11,341,	15	12,417,	9	9,902,	10,035,
Cape and Natal	1,953,	28	1,631,	16 decr.	1,867,	2,198,
West Indies	3,150,	51	2,569,	18 „	3,362,	2,940,
Mauritius	556,	9	462,	17 „	483,	503,
Ceylon.....	727,	50	833,	15	907,	928,
Straits Settlements	1,287,	33	1,754,	36	2,332,	1,935,
Total	24,280,	27	27,146,	12	25,654,	26,835,
United States	14,521,	24 decr.	21,522,	48	28,335,	34,229,
France.....	8,046,	42	10,995,	37	11,645,	18,061,
Spain and Portugal	5,028,	53	4,175,	17 decr.	4,615,	4,867,
Germany and Austria	14,379,	12	20,858,	45	22,034,	28,938,
Italy	5,400,	57	5,473,	1	5,267,	6,254,
Russia	2,786,	18	4,147,	49	6,993,	6,554,
Holland	6,363,	16	9,543,	50	11,222,	14,122,
Belgium	1,955,	16	3,153,	61	4,476,	6,287,
Brazil	4,592,	11	6,178,	35	5,353,	6,311,
China and Hongkong	4,380,	65	7,514,	71	9,545,	9,404,
Total	67,450,	11	93,558,	39	109,485,	135,027,

TABLE B.—*Consumption of British Produce per Head of Population, in the undermentioned Colonies and Foreign Countries.*

	Year of Census.	Population.	Imports of British Produce, Average of 3 Years.	Per Head.		
			£	£	s.	d.
North American Colonies.... {	1850	2,471,137	3,110,000	1	5	2
	'61	3,294,056	3,803,000	1	3	1
	'68	4,119,686	5,289,000	1	5	8
Australia and New Zealand {	1850	546,184	2,496,000	4	11	5
	'61	1,266,432	10,781,000	8	10	3
	'69	1,847,789	11,801,000	6	7	8
Cape and Natal—						
Total Population	1865 {	759,261	1,761,000	2	6	4
White „		204,546	1,761,000	8	12	2
West Indies	1850	921,925	2,017,000	2	3	9
	'61	1,082,223	2,629,000	2	8	7
Mauritius	1850	180,863	275,000	1	10	5
	'61	310,050	536,000	1	14	7
	'69	322,924	416,000	1	5	9
United States	1850	23,191,876	13,742,000	—	12	—
	'60	31,443,321	17,761,000	—	11	4
	'70	38,555,983	24,798,000	—	12	10
France..... {	1851	35,783,170	2,387,000	—	1	4
	'61	37,386,161	7,785,000	—	4	2
	'66	38,067,094	11,491,000	—	6	—
Spain	1860	16,301,851	2,445,000	—	2	1
Portugal	1865	3,987,867	2,053,000	—	10	4
Germany (Prussia, Ham- burg, Austria)	1867	59,250,280	20,566,000	—	6	11
Italy	1861	24,273,776	5,133,000	—	4	3
	'68	25,527,915	5,353,000	—	4	2
Russia	1858	73,920,000	3,410,000	—	—	11
	'63	77,008,448	2,537,000	—	—	7
Holland*.....	1868	3,628,467	10,193,000	2	16	2
Belgium	1856	4,529,560	1,708,000	—	7	6
	'66	4,839,094	2,871,000	—	11	10
Brazil	1856	7,677,800	4,313,000	—	11	2
	'64	10,045,000	5,289,000	—	10	6

* Some proportion of this belongs to Germany for goods in transit.

Note.—The imports are taken at an average of three years, viz., the year of census with the year before and the year after.

TABLE C.—*Proportion which British Produce bears to the Total Imports into the undermentioned Colonies and Foreign Countries. Taken from Colonial and Foreign Returns.*

	Gross Total of Imports for 1864-66, <i>ex Bullion and Specie.</i>	Gross Imports of British Produce for 1864-66.	Percentage of British Produce.
	£	£	
North American colonies	45,563,000	19,309,000	42
Australia and New Zealand	98,889,000	46,705,000	47
Cape and Natal	7,710,000	5,283,000	69
West Indies	15,807,000	6,805,000	43
Mauritius	6,200,000	1,870,000	30
Ceylon.....	10,571,000	3,815,000	36
Singapore and Straits	25,577,000	5,315,000	21
United States.....	195,760,000	64,543,000	31
France.....	431,198,000	38,221,000	9
Spain	45,445,000	8,037,000	18
Italy	121,356,000	20,764,000	17
Russia	86,204,000	14,293,000	17
Holland*.....	121,439,000	11,840,000	10
Belgium	162,029,000	12,250,000	8

* A proportion due to Germany for goods in transit.

TABLE D.—*Tonnage Employed in the Trade of the following Colonies and Foreign States, with the Proportion of British Tonnage. Total Tonnage Entered and Cleared.*

	Three Years taken for Average.	Annual Average of Total Tonnage.	Annual Average of British Tonnage.	Percentage of British Tons.	Tons or Lasts.
North American colo- nies	1865-66-68	6,213,049	4,995,107	80	Tons
Australia and New Zealand.....	1866-68	4,318,097	3,992,239	93	"
Cape and Natal	'66-68	552,918	468,469	85	"
West Indies and Guiana	'66-68	1,768,753	1,051,030	60	"
Mauritius	'66-68	528,189	389,985	74	"
Ceylon	'66-68	1,208,568	1,053,082	87	"
Straits Settlements } and Singapore	'66-68	1,496,542	873,434	58	"
United States	1866-68	15,862,597	7,434,059	47	Tons
France	'66-68	12,796,694	4,643,792	36	"
Hanse Towns (Ham- burg, Bremen, Lu- beck)	1865-67	5,634,568	2,047,568	36	"
Italy	1868	7,269,501	1,656,906	23	"
Russia	1866-67	2,852,245	866,935	34	Lasts
Holland.....	'66-67	4,012,246	1,957,901	49	Tons
Belgium.....	'66-68	2,478,962	1,366,414	55	"

TABLE E.—*Abstract of the Cost of the undermentioned Colonies and Settlements at the Expense of the British Exchequer, from the Year 1853 to 1871.*

Years.	North American Colonies.	Australia and New Zealand.	Cape and Natal.	West Indies.	Mauritius.	Ceylon.	Singapore and Straits.	Total.
	£	£	£	£	£	£	£	£
1853	516,190	559,485	602,227	593,710	130,740	146,825	—	2,549,177
'54	315,956	572,262	608,499	503,109	126,076	115,170	—	2,241,072
1855	260,577	473,809	629,809	514,377	130,627	117,320	—	2,126,519
'56	559,522	442,580	1,106,970	467,014	154,983	125,498	—	2,856,567
'57	422,343	423,465	682,015	551,737	74,881	119,279	—	2,273,720
'58	359,675	330,993	527,750	385,102	65,734	80,176	—	1,749,430
'59	392,036	316,415	435,828	399,709	98,062	61,872	—	1,703,922
1860	368,926	550,429	513,376	391,846	148,875	83,686	—	2,057,138
'61	998,271	649,121	459,738	383,979	140,426	67,830	—	2,699,365
'62	1,012,393	586,861	387,141	393,452	133,610	71,035	—	2,584,492
'63	859,862	1,108,255	420,206	366,649	137,545	122,876	—	3,015,393
'64	852,002	1,377,956	328,513	362,071	135,029	84,577	28	3,140,176
'65	881,313	1,171,881	366,056	333,310	119,995	25,350	—	2,897,905
1866	1,193,589	633,311	347,867	385,532	119,279	22,808	1,120	2,703,506
'67	1,270,982	359,102	377,324	359,397	122,149	35,845	12,386	2,537,185
'68	1,093,300	290,914	286,245	350,929	73,546	23,450	36,781	2,155,165
	11,356,937	9,846,839	8,079,564	6,741,923	1,911,557	1,303,597	50,215	39,290,732
1869*.... } estimate }	1,093,300	290,914	286,245	350,929	73,546	23,450	36,781	2,155,165
1870*.... } estimate }	434,968	290,914	165,033	294,747	73,546	23,450	36,781	1,319,439
1871*.... } estimate }	221,975	229,714	168,257	291,489	73,546	23,450	36,781	1,045,212
Total....	13,107,180	10,658,381	8,699,099	7,679,088	2,132,195	1,373,947	160,658	43,810,548

* 1869 taken same as 1868. 1870 and 1871 same general expenses as 1868, but allowance made for difference in the military estimates for those years.

